

THE UNITED CHURCH OF CANADA/L'ÉGLISE UNIE DU CANADA MINIMUM SALARY AND ALLOWANCES FOR MINISTRY PERSONNEL (2012)

The United Church of Canada cares about the well-being of its ministry personnel as they serve God's people in a variety of places and ways. Policies are in place concerning minimum annual salaries, housing and reimbursements for ministry personnel who provide paid accountable leadership in

- pastoral charges and missions
- presbytery-accountable ministries

Throughout this document, "ministry unit" will be used to refer to the ministries indicated above. The term "ministry personnel" has a distinct meaning within The United Church of Canada and is defined in *The Manual, 2010*. Refer to Section 001 for a complete list of ministry personnel definitions: www.united-church.ca/manual.

Compensation for those providing paid accountable leadership is comprised of salary, the occupancy and use of a manse/housing allowance, and other reimbursements.

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While salary and allowance policies adopted by General Council and its Executive establish *minimum* amounts of entitlement, the ability and willingness of a ministry unit to offer compensation greater than these minimum amounts is both commendable and welcomed.

MINIMUM SALARY SCHEDULES

All minimum salary figures are increased annually by a percentage equal to the average percentage rise in the cost of living within Canada for the year ending December 31 one year and one day prior to the effective date of the new salaries (i.e., the minimum salary rates that will take effect on January 1, 2012, reflect the average rise in the Canadian cost of living as of December 31, 2010).

For 2012, the minimum salaries reflect a 1.8% increase to the 2011 minimum salary levels. The United Church also encourages the practice of increasing salaries annually by an amount equal to or greater than the cost-of-living increase, even if the minister's salary is set above the category minimum. In situations where the salary in the pastoral relationship agreement specifies a percentage or amount above the minimum, the applicable amount below plus the agreed-upon percentage/amount above the minimum will serve as the required minimum for 2012.

For ministry personnel not actively at work (i.e., Long-Term Disability, Restorative Care Program, and Maternity Leave), increases are to be effective the first day back to work.

The following chart provides the minimum salaries for ministry personnel, effective January 1, 2012.

2012	YEARS OF ELIGIBLE SERVICE (INCREMENT CATEGORY)					
	1-2 (A)	3-4 (B)	5-7 (C)	8-10 (D)	11-13 (E)	14 + (F)
TYPE OF MINISTRY LEADERSHIP						
ORDER OF MINISTRY ¹	\$32,841	\$34,319	\$35,797	\$37,276	\$38,753	\$40,230
RECOGNIZED DESIGNATED LAY MINISTERS ²	\$31,783	\$33,213	\$34,645	\$36,074	\$37,504	\$38,933
DESIGNATED LAY MINISTERS ³	\$31,082	\$32,480	\$33,879	\$35,278	\$36,678	\$38,075
INTERN SUPPLY ⁴	\$31,783	\$33,213	\$34,645	\$36,074	\$37,504	\$38,933
CANDIDATE SUPPLY	\$31,783	\$33,213	\$34,645	\$36,074	\$37,504	\$38,933
STUDENT SUPPLY ⁵	\$31,082	\$32,480	\$33,879	\$35,278	\$36,678	\$38,075

1 Order of Ministry includes Diaconal and Ordained Ministers (including those appointed by presbytery/district serving as Retired Supply, United Supply and Ordained/Diaconal Supply), and Order of Ministry serving as Interim Ministers.

2 Recognized Designated Lay Ministers includes former Lay Pastoral Ministers and Recognized Designated Lay Ministers serving as Interim Ministers.

3 Designated Lay Ministers includes former Lay Pastoral Ministers in Training, former Staff Associates, and Designated Lay Minister Applicants.

4 Service during an Intern Supply is considered part of the educational preparation and does not count as service for salary increment purposes.

5 Student Supply includes Ministers in Training (Native Ministry).

Progressing through the Minimum Salary Schedule

Eligible service is based on years of service in a paid, accountable ministerial role within the church.

For salary increment purposes, all periods of service in ministry personnel positions resulting from a presbytery appointment, a call, or an action of a Conference Settlement Committee are included in the calculation of years of eligible service. Also included is time spent on leave (vacation, education, sabbatical, maternity, parental, and medical, including that which results in the use of the Restorative Care Plan). Not included in the calculation of eligible service is time spent in the role of Intern Supply, National Intern, and Student Supply fulfilling an internship requirement.

A year is credited when a minimum of 750 hours of paid work in one calendar year is completed. Example: a new minister starts their first paid accountable ministerial role in July, and completes 750 hours of eligible service by November in the same year. Eligible service toward the second credited year would start January of the next calendar year.

A year of service that does not meet the minimum 750 qualifying hours does not count toward an individual's years of eligible service and cannot be "banked" with other similar years of less than 750 hours to create a full year of eligible service for salary increment purposes.

Progression to new increment categories always commences January 1, following successful completion of required paid accountable ministry service for the preceding increment category. Example: a minister who completes two years of eligible service by June 30, would move to category B effective January 1 of the next calendar year.

Pension and Benefit Eligibility

With the exception of National Interns funded by the National Internship Program by way of stipend through General Council Office, all ministry personnel are required to participate in the United Church pension and group benefits plans if they are paid for an average of 14 hours or more per week.

Pro-ration for Part-Time Service

In circumstances where part-time ministerial leadership is provided, the minimum salary amount is pro-rated according to the percentage of service provided, compared to full-time service. The figures shown in the table above reflect full-time service, which for calculation purposes is defined as 40 hours per week.

Example

A Designated Lay Minister with 8 years of service (Category D) begins a pastoral relationship of 30 hours' work per week. Establish the percentage of hours being worked, i.e., 30 of a possible 40 = $\frac{3}{4}$ or 75%. Then, multiply the appropriate minimum salary figure (Designated Lay Minister, Category D = \$35,278) by that percentage, and round up to the nearest dollar: $\$35,278 \times 0.75 = \$26,458.50$; round up to \$26,459.

The minimum salary offered to this minister would be \$26,459.

HOUSING ALLOWANCE

Ministry personnel serving ministry units must be provided with a manse or a cash housing allowance as part of their terms of settlement, call, or appointment.

Refer to *Section 4.8.1 in the Financial Handbook to obtain the following details:*

www.united-church.ca/files/handbooks/financial.pdf

- housing allowance and clergy residence deduction
- responsibilities for ministry units providing a manse
- responsibilities for ministry units providing a cash housing allowance
- ministry couples: housing allowance and clergy residence deduction
- housing allowance and ADP payroll processing codes

Compliance with Federal Legislation Concerning Income Tax and Pension Contributions (20% rule)

As per United Church policy and federal requirements concerning income tax and pension contributions, the housing allowance, or the fair rental value (FRV) assigned to the manse, must be equal to or greater than 20% of the ministry personnel's salary.

Ministry Personnel Living in a Manse

If the FRV of the manse is less than 20% of the salary, a "top-up" must be paid to the ministry personnel such that the top-up plus the FRV of the manse equals 20% of the salary. The top-up amount is considered taxable income by the Canada Revenue Agency and must be reported as such.

Examples

1. A recently commissioned and settled minister is earning a salary of \$32,841 and living in a manse with an FRV of \$8,400 per year. The minimum FRV of the manse is 20% of the salary: $\$32,841 \times 0.2 = \$6,568$. The FRV of the manse is greater than 20%, so the policy conditions have been met.
2. A recently ordained and settled minister is earning a salary of \$32,841 and living in a manse with a FRV of \$6,000 per year. The minimum FRV of the manse, as calculated above, is \$6,568. Therefore, the policy conditions have not been met. The ministry unit is obligated to pay a yearly top-up: $\$6,568 - \$6,000 = \$568$ per year (paid in monthly instalments of \$47.33).

Note—In situations where there is a top-up, and the FRV of the manse plus the top-up is equal to 20% of the ministry personnel's salary, the top-up must be recalculated to retain the minimum value of 20% as the salary increases.

Ministry Personnel in Receipt of a Cash Allowance

Housing allowance is based on the FRV of suitable accommodation which would have been provided as a manse in the area, and must not be valued at less than 20% of the salary paid to ministry personnel. The 20% minimum applies even if the FRV of accommodation comparable to a manse in the vicinity of the ministry unit is determined to be less than 20% of the ministry personnel's salary.

Examples

1. A United Supply Minister with 14+ years of eligible service (Category F = \$40,230) accepts an appointment to a pastoral charge where the FRV of accommodation comparable to a manse is valued at \$6,000. The minimum housing allowance is 20% of salary: $\$40,230 \times 0.2 = \$8,046$. The established FRV of \$6,000 falls short of the minimum required. As a result, the housing allowance that must be paid in this circumstance is 20% of salary, or \$8,046.
2. An Ordained Supply Minister, with a salary of \$37,276, accepts an appointment to a pastoral charge offering a housing allowance of \$7,800 per year. The minimum housing allowance is 20% of salary: $\$37,276 \times 0.2 = \$7,455$. The allowance offered is \$345 more than the minimum required, and complies with the policy.

Note—In situations where the value of the housing allowance is equal to 20% of the ministry personnel's salary, the housing allowance must be increased by the cost-of-living percentage increase equal to the annual salary increase to retain the minimum value of 20% as the salary increases.

Pro-ration for Part-Time Service

In situations where part-time leadership is provided and a manse is part of the compensation package, ministry personnel are entitled to full-time occupancy and use of the manse. Where part-time leadership is given and a housing allowance is a component of the compensation package, ministry personnel shall receive a payment that is proportional to the service provided.

Example

The housing allowance (based on FRV and the 20% rule) for full-time ministry in a specific appointment is set at \$18,000 per year. A part-time ministry personnel works 20 hours per week (50% of full-time). The housing allowance must be pro-rated accordingly: $\$18,000 \times 0.5 = \$9,000$. The housing allowance offered to a half-time minister would be 50% of that offered to a full-time minister, or \$9,000.

REIMBURSEMENTS

In addition to salary and housing, ministry personnel receive monetary support for continuing education and learning, telephone, travel, and moving if applicable, as part of their compensation package.

Continuing Education and Learning Resources

It is expected that the Continuing Education and Learning Resources amount will be applied by ministry personnel, in consultation with the ministry unit, to the cost of attending workshops or conferences, purchasing books, and obtaining electronic and other resources relevant to providing ministry leadership. *The minimum annual amount for ministry personnel working full-time is \$1,275.*

Refer to Section 4.9.1 in the Financial Handbook to obtain details:

www.united-church.ca/files/handbooks/financial.pdf

Travel

Where the work of a ministry unit requires its ministry personnel to use a car, the ministry unit must reimburse the ministry personnel for travel at least at the minimum rate approved annually by the General Council Executive. *The minimum per kilometre rate is \$0.41.*

Refer to Section 4.9.3 in the Financial Handbook to obtain details:

www.united-church.ca/files/handbooks/financial.pdf

Telephone

Ministry personnel serving ministry units must be provided with a telephone in their home, the basic cost of which is the responsibility of the ministry unit. Long-distance charges incurred for church-related business are also the responsibility of the ministry unit. Personal long-distance charges are the responsibility of the ministry personnel.

Moving

The cost of moving ministry personnel to a ministry unit to which she or he has been called or appointed is the responsibility of the receiving ministry unit. Moving costs include related expenditures such as mileage, accommodation, and meals for the ministry personnel and her or his immediate family.

Refer to Section 4.9.5 in the Financial Handbook to obtain details:

www.united-church.ca/files/handbooks/financial.pdf

Settlement Costs for Candidates for the Order of Ministry

Moving costs for candidates for the Order of Ministry, and their immediate family, who are transferred and settled are the combined responsibility of the receiving ministry unit and the General Council Office. *Ministry units participating in settlement in the current year are required to contribute \$1,500 to the settlement pool.* Moving costs for candidates who sought their own call or appointment are the responsibility of the ministry unit and the candidate.

Refer to Section 4.9.6 in the Financial Handbook to obtain details:

www.united-church.ca/files/handbooks/financial.pdf

Taxable Allowances, Taxable Benefits, and Expenses and ADP Payroll Processing Codes

It is recommended that payments to ministry personnel for Continuing Education and Learning Resources, Travel, and Telephone be processed as reimbursable expenses (supported by proof of the expense), and therefore would not be subject to any Canada Revenue taxes.

Refer to Section 4.9.4 in the Financial Handbook to obtain details:

www.united-church.ca/files/handbooks/financial.pdf

VISITING MINISTRY PERSONNEL

Honoraria

It is appropriate to treat payments to visiting ministry personnel, as well as other visitors such as licensed lay worship leaders, workshop facilitators, visiting musicians, etc., as honoraria.

Refer to *Section 4.8.2 in the Financial Handbook to obtain details:*

www.united-church.ca/files/handbooks/financial.pdf

Weekend Supply, and Worship Leadership and Preaching

The purpose of weekend supply and worship leadership and preaching is for ministry personnel to offer pastoral care and worship leadership to ministry units where the incumbent ministry personnel are on vacation, study leave, and other short-term leave. Weekend supply and worship leadership and preaching are meant to cover only one or two Sundays at a time. It is appropriate to treat payment to visiting ministry personnel as honoraria.

The minimum amounts for weekend supply and worship leadership and preaching are listed below. In situations where the time commitments for assignments are considerable (i.e., multiple Sunday services are required, or the distance to and from the ministry unit is significant), remuneration greater than the minimum is encouraged. Remuneration should be agreed upon by the ministry personnel and the ministry unit prior to the service, at the time of scheduling.

Weekend Supply	\$232 per weekend (minimum remuneration based on approximately 12 hours of preparation and leadership or service), plus travel reimbursement and incidental expenses (i.e., meal allowance and accommodation as necessary)
Worship Leadership and Preaching	\$116 per occasion (minimum remuneration based on approximately 6 hours of preparation and leadership or service), plus travel reimbursement and incidental expenses (i.e., meal allowance and accommodation as necessary)

Refer to *Section 4.8.2 in the Financial Handbook to obtain details:*

www.united-church.ca/files/handbooks/financial.pdf

MISSION SUPPORT (AID-RECEIVING) MINISTRIES

In situations where a ministry unit has insufficient financial resources to meet its operating expenses, including minimum salary and allowances, an application for a Mission Support grant may be made through the Conference in which the ministry unit is located. For further details about this opportunity, and about the responsibilities incumbent upon mission support (aid-receiving) ministries, please contact your Conference office.

PASTORAL CHARGE PAYROLL SERVICE PROCESSING

The United Church of Canada policy requires that the payroll be processed through ADP, the payroll service provider, at least for ministry personnel in pastoral relationships earning more than \$5,000/year. As such, calls, appointments, and/or settlements should only be approved if the pastoral charge is processing their pay through the payroll service, in accordance with the standard terms outlined on the forms.

Enrolment in the Pastoral Charge Payroll Service is mandatory for the following positions:

- Order of Ministry, Candidate Supply, Intern Supply, Student Supply, Diaconal Supply, Ordained Supply, Interim Ministers, and Retired Supply
- lay persons under presbytery appointment as Designated Lay Ministers